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UNITED STATES OFFERS TO JOIN EUROPEAN-IRANIAN NUCLEAR TALKS

Secretary Rice says move underscores U.S. commitment to diplomatic solution

By David Shelby
Washington File Staff Writer

Washington --The United States has offered to join European-Iranian negotiations over Iran's nuclear program provided that Iran first suspend all uranium enrichment and reprocessing activities.

"[T]o underscore our commitment to a diplomatic solution and to enhance the prospects for success, as soon as Iran fully and verifiably suspends its enrichment and reprocessing activities, the United States will come to the table with our EU-3 colleagues [Britain, France and Germany] and meet with Iran's representatives," Secretary of State Condoleezza Rice told reporters in Washington May 31.

The offer marks a shift in policy for the Bush administration, which had previously rejected direct discussions with Tehran on anything but the Iraqi security situation. Rice said, however, that the circumstances now justify Washington's direct involvement in the negotiations.

"We have always been determined to do what we could to support the negotiations," she said. "We now believe that having created a strong climate of opinion ... in which a great number of states are united around a clear concept of what Iran must do -- and that, by the

way, includes a precondition of suspension for negotiations -- that the United States might be able now to add weight to the negotiating track by joining these discussions."

Rice said that the move is not unlike the U.S. policy of engaging in multilateral discussions about North Korea's nuclear program. She also stressed that the U.S. offer in no way heralds broader diplomatic relations between the United States and Iran, but is simply intended to provide legitimacy to the negotiating process aimed at steering Iran away from its nuclear weapons ambitions.

"[I]t's an opportunity for Iran to make its intentions clear," she said. "If Iran really wants a negotiated solution, it can suspend its enrichment and enrichment-related activities, [as] it has been required to do in an [International Atomic Energy Agency] Board of Governors' resolution, and we can sit down at the table and talk about how to get to a civil nuclear program that is acceptable to the international community."

Iran has repeatedly claimed that its nuclear program is for peaceful, civilian nuclear energy purposes, but Rice said Tehran's historic behavior has undermined the credibility of its claims with the international community. "In view of its previous violations of its commitments and the secret nuclear program it undertook, the Iranian regime must persuasively demonstrate that it has permanently abandoned its quest for nuclear weapons," she said.

At the same time that she proposed direct U.S. involvement in the nuclear negotiations, Rice said that the international community is presenting Iran with a clear choice between two courses of action. She said a choice to continue pursuing nuclear weapons would "incur only great costs," in the form of political and economic sanctions and international isolation.

The secretary said if Iran chooses to suspend its enrichment activities, cooperate fully with the International Atomic Energy Agency (IAEA) and return to negotiations, this "would lead to the real benefit and longer-term security of the Iranian people, the region, and the world as a whole."

She said the five permanent members of the U.N. Security Council (Britain, China, France, Russia and the United States) and Germany would be offering a package of proposed benefits and penalties to Iran based on these two options. Rice plans to be in Vienna June 1 to meet

with her counterparts from those countries and finalize the details of the package.

She said that it is now up to Iran to choose its course of action and that the U.N. Security Council and the rest of the international community will respond accordingly.

"I think there is substantial agreement and understanding that Iran now faces a clear choice," she said. "This is the last excuse, in some sense. There have been those who have said, 'Well, if only the negotiations had the potential for the United States to be a part of them, perhaps then Iran would respond.' So now we have a pretty clear path. We have negotiations, if Iran is prepared to suspend. If Iran is not prepared to suspend -- and by the way, this is the understanding that comes out of New York -- that there is another path."

For more information, see Arms Control and Non-Proliferation:

http://usinfo.state.gov/is/international_security/arms_control.html

U.N. MEMBERS MUST FULFILL NONPROLIFERATION STRICTURES, U.S. SAYS

Security Council panels should hold U.N. members accountable, ambassador says

Washington -- The U.N. Security Council has more work to do to enforce the nonproliferation and counterterrorism measures already enacted by the council, a U.S. official says.

Ambassador Jackie W. Sanders, the alternate U.S. representative to the United Nations for special political affairs, told a joint meeting of several Security Council committees May 30 that the United States is concerned that U.N. members are lagging in implementing their nonproliferation and counterterrorism obligations.

She noted that U.N. Secretary-General Kofi Annan recently recommended a counterterrorism strategy that includes "standards of accountability and compliance against which individual states' efforts can be measured."

"The Council should take the steps necessary to ensure that its subsidiary bodies heed this call," she said.

Sanders, while praising the recent work of the council's Counterterrorism Committee in providing technical assistance to U.N. members, said the committee "must remain focused on its primary mandate -- monitoring states' implementation of their obligations under Resolution 1373."

Security Council Resolution 1373, approved on September 12, 2001, called on U.N. nations to criminalize the financing of terrorist activities, and prevent terrorists from obtaining safe haven in their borders. If states have received technical assistance from the committee but still have not met their obligations, the committee "must take action to ensure that they do so," she said.

Sanders also said the committee has not addressed adequately the need to choke off the supply of funds to proliferators of weapons of mass destruction (WMD), and urged it to implement Security Council Resolution 1540, which was designed to hinder the WMD proliferation.

"Whatever else motivates proliferation," Sanders said, "there can be no doubt that it is money-driven." The committee "must pay more attention to the provisions of Resolution 1540 that require states to take measures against proliferation financing," she added.

Sanders pointed out that the United States in mid-2005 established a targeted financial sanctions program that blocks the assets of designated WMD proliferators and their support networks through issuance of Executive Order 13382. That order also bars U.S. nationals and those within U.S. jurisdiction from having any transactions with those under these sanctions.

"We stand ready to share our experiences and efforts with the committee and with all interested States," she said.

More information about the U.N. 1540 Committee is available on its Web site:
<http://disarmament2.un.org/Committee1540/>
 and on the Counterterrorism Committee on its Web site:
<http://www.un.org/sc/ctc/>

For more information on U.S. policies, see International Security:
<http://usinfo.state.gov/is/>

U.S. AND VIETNAM SIGN BILATERAL MARKET-ACCESS AGREEMENT

Normalization of relations will advance Vietnam's World Trade Organization bid

By Susan Krause
 Washington File Staff Writer

Washington -- The United States and Vietnam have concluded a market access agreement that is a significant step forward in normalizing bilateral relations and essential to achieving the mutual goal of Vietnam's accession to the World Trade Organization (WTO), according to the Office of the United States Trade Representative.

Deputy U.S. Trade Representative (USTR) Karan Bhatia and Vietnamese Deputy Minister of Trade Luong Van Tu formally signed the agreement in Ho Chi Minh City, Vietnam, on May 31.

"This is a great agreement for the United States," Bhatia said. "It opens a vibrant and growing market for American agricultural goods, a range of services, and manufactured products. It also opens the door for Vietnam to join the international rules-based trading system."

Under the agreement, Bhatia said, Vietnam's regulatory trade practices will become more transparent, foreign companies will be treated more fairly and the Vietnamese people will enjoy greater economic freedom.

ROAD TO NORMALIZATION

Diplomatic relations between the United States and Vietnam were restored July 11, 1995, after a 20-year hiatus. In the years since, the relationship has continued to expand and deepen.

Following close bilateral cooperation on prisoner of war/missing-in-action issues from the 1954-75 Indochina War, the United States lifted a long-standing trade embargo on Vietnam in 1994.

In October 2000, then-President Bill Clinton became the first U.S. president to visit Vietnam since the end of the war.

A bilateral trade agreement took effect in December 2001, followed by agreements in civil aviation and textiles.

Two-way trade increased nearly 22 percent in 2005, reaching nearly \$8 billion, and U.S. direct investment in Vietnam was \$66 million in 2004.

Bhatia called the new market-access agreement a “historic step” in the relationship between the two countries. “It marks the passing of another milestone on the road to full normalization of relations between our two countries,” he said.

CONGRESSIONAL ACTION NECESSARY

Congressional action is required for the agreement to take effect. Bhatia said the USTR would work closely with Congress to seek approval of Permanent Normal Trade Relations (PNTR) status for Vietnam, authorizing trade advantages that the United States grants to most market economies.

“We believe there is strong bipartisan support for the PNTR,” the Bhatia said.

In order to authorize PNTR, the USTR office said it would be necessary for Congress to terminate application to Vietnam of the Jackson-Vanik amendment to the Trade Act of 1974. The Jackson-Vanik provision denies normal trade relations to certain countries with nonmarket economies and restrictions on emigration rights.

The president has the authority to waive the Jackson-Vanik provisions on a yearly basis, and Vietnam has been granted such waivers since 1998.

AGREEMENT REDUCES TARIFFS, EXPANDS ACCESS

The new agreement would take effect on Vietnam’s accession to the WTO.

Under the agreement, Vietnam would expand market access for U.S. exports by reducing tariffs on manufactured goods. “More than 94 percent of U.S. exports of manufactured goods will face duties of 15 percent or less upon implementation of Vietnam’s WTO accession commitments,” a USTR fact sheet says.

Vietnam agreed to join the WTO’s Information Technology Agreement, which eliminates tariffs on information technology products such as computers, cell phones and modems. Vietnam also agreed to participate in an initiative harmonizing tariff rates on chemical products, including cosmetics and pharmaceuticals.

The agreement provides for the reduction or elimination of tariffs on airplanes and engines, auto parts and vehicles, agriculture and construction equipment, medical and scientific equipment, and wood products.

Vietnam will increase market access for U.S. service providers in areas such as telecommunications, securities, insurance, energy, transportation, accounting, engineering, law, advertising and marketing, distribution, environmental protection, and hospitality.

In the area of agriculture, Vietnam has agreed to reduce tariffs on more than 75 percent of U.S. products and to improve its implementation of sanitary and phytosanitary (food safety) measures that might discriminate against foreign products.

Fact sheets on the market access agreement’s handling of agricultural goods (PDF, 2 pages), industrial goods (PDF, 2 pages) and services (PDF, 3 pages) are available from the USTR Web site:

http://www.ustr.gov/Document_Library/Fact_Sheets/2006/Section_Index.html

U.S. AID CONTINUES TO FLOW TO INDONESIA EARTHQUAKE VICTIMS

U.S. Marines set up field hospital in football stadium in Bantul

Washington -- U.S. aid continues to flow into the part of Indonesia most affected by the powerful earthquake that struck on May 27.

A U.S. portable field hospital arrived via cargo plane May 31 along with about 135 U.S. Marines, who set up the hospital in a football stadium in Bantul, one of the hardest hit districts. The facility was beginning to treat patients and will become fully operational on June 1.

The United States has committed a total of \$5 million to support relief operations in the earthquake-affected area, according to a U.S. Agency for International Development (USAID) fact sheet.

The government of Indonesia says the earthquake, which was 6.3-magnitude, has killed more than 6,200 people, injured at least 30,000 and left hundreds of thousands homeless or displaced. A quake of magnitude 6 can cause severe damage.

Most U.S. assistance is being provided by USAID, the U.S. government agency that is responsible for worldwide development and humanitarian assistance, through nongovernmental relief organizations such as the International Federation of Red Cross and Red Crescent Societies (IFRC) and its local partner, the Indonesian Red Cross/Palang Merah Indonesia (PMI).

USAID has provided funding to the International Medical Corps (IMC), a private relief group, for round-the-clock paramedic and surgical services in operating theaters and field hospitals in affected areas. IMC was able to dispatch a team of 65 medical and other personnel to the affected areas immediately after the disaster and is establishing two tented clinics and six mobile clinics in an area where 80 percent of the buildings were destroyed. With USAID help, IMC also has been delivering emergency health kits.

In addition, USAID has been working closely with the U.S. military to deliver humanitarian assistance to the earthquake victims. Eight C-130 planes delivered critical relief supplies, including plastic sheeting for temporary shelter, 10,000 jerricans for purified water delivery and 5,000 hygiene kits. Aman Tirta, USAID's safe water drinking program, has delivered 40,000 bottles of water-treatment product.

The U.S. Pacific Command (PACOM) has deployed a military medical unit to Yogyakarta, the main city in the region affected by the earthquake, which was centered just off the Indian Ocean coast. Two U.S. military cargo planes carrying a mobile field hospital arrived in Yogyakarta on Java island May 31 with a Marine unit that brings surgical, shock trauma capacity, laboratory, dental, X-ray, and preventative medicine expertise to that earthquake-ravaged area.

A USAID team arrived in the affected area May 29 and began coordinating U.S. relief efforts on the ground. Another eight-person office from USAID was expected to arrive May 31, along with U.S. military assistance, according to State Department spokesman Sean McCormack, who provided details on the U.S. effort during the May 30 daily briefing.

The U.S. Embassy in Jakarta sent its regional medical officer, four doctors from the Naval Medical Research Unit, two nurses and other staff to Yogyakarta to provide medical services, McCormack said.

He said U.S. Ambassador B. Lynn Pascoe planned to travel to the devastated area May 31 to see what the United States is doing to provide assistance and what more might be needed.

In a statement May 27, President Bush offered his sympathy and prayers to the Indonesian people and pledged the United States would "provide additional assistance as needed."

The United States provided more than \$400 million in assistance after parts of Indonesia were devastated by a tsunami in December 2004. Assistance ranged from immediate disaster relief to help rebuilding roads, the repair of fourteen health clinics, the rebuilding of 17 community centers, the reconstruction of a sewage treatment plant and the awarding of 17,500 small business/livelihood grants to create or restart businesses and repair fishing boats.

A USAID fact sheet (PDF, 1 page) on U.S. assistance related to the May 27 earthquake is available on the U.S. Embassy Jakarta Web site:
<http://www.usembassyjakarta.org>

Pleases Note: Most texts and transcript mentioned in the U.S. Mission Daily Bulletin are available via our homepage: <http://geneva.usmission.gov/>

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